

**UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF LOUISIANA**

PARALLAX ENTERPRISES LLC, §
§
Plaintiff, §
§
v. § Civil Action No. 16-3209
§
CHENIERE ENERGY, INC. & §
CHENIERE LNG TERMINALS, LLC, §
§
Defendants. §

NOTICE OF REMOVAL

Defendants Cheniere Energy, Inc. (“CEI”) and Cheniere LNG Terminals, LLC (“CLNGT”) file this notice of removal under 28 U.S.C. § 1446.

Introduction

1. Plaintiff Parallax Enterprises LLC (“Parallax Enterprises”) is a limited liability company, the sole member of which is Parallax Energy LLC. The sole member of Parallax Energy LLC is Martin Houston, a citizen and resident of the United Kingdom.

2. CEI is a Delaware corporation with its principal place of business in Texas.

3. CLNGT is a limited liability company, the sole member of which is CEI.

4. On March 11, 2016, Parallax Enterprises sued CEI and CLNGT in the 25th Judicial District Court of Plaquemines Parish, Louisiana, alleging claims for

breach of contract, fraudulent inducement, negligent misrepresentation, detrimental reliance, and unjust enrichment. On March 23, 2016, Parallax Enterprises filed an amended petition asserting an additional claim for violation of the Louisiana Unfair Trade Practices Act. Parallax Enterprises predicates its claims on an allegation that CEI and CLNGT breached a purported agreement jointly to develop two natural gas liquefaction projects in Louisiana. CEI and CLNGT deny Parallax Enterprises' allegations.¹

5. CLNGT was served with Parallax Enterprises' original petition on March 18, 2016. CEI and CLNGT filed an unopposed motion for extension of time to respond to Parallax Enterprises' original and amended petitions to May 6, 2016.

¹ On February 3, 2016, more than a month before Parallax Enterprises filed the instant suit, CLNGT brought suit against Parallax Enterprises in an action styled Cause No. 4:16-cv-00286, *Cheniere LNG Terminals, LLC v. Parallax Energy, LLC, et al., in the Southern District of Texas*, concerning the same subject matter (the "First Filed Suit"). In the First Filed Suit, CLNGT asserts, among other things, claims for (1) recovery of approximately \$46 million owed by Parallax Enterprises under a secured promissory note in favor of CLNGT and (2) a declaration that CLNGT has no obligations of any sort to Parallax Enterprises concerning joint development of natural gas liquefaction facilities. CLNGT contends that all claims asserted in Parallax Enterprises' later-filed lawsuit constitute compulsory counterclaims that must be asserted, if at all, in the First Filed Suit.

6. CEI and CLNGT file this notice of removal within the 30-day time period required by 28 U.S.C. § 1446(b). *See Bd. of Regents of Univ. of Tex. Sys. V. Nippon Tel. & Tel. Corp.*, 478 F.3d 274, 278 (5th Cir. 2007).

7. True and correct copies of all documents required by § 1446(a) are attached hereto.

Basis for Removal

8. Removal is proper because complete diversity exists between the parties. *See* 28 U.S.C. § 1332(a).

9. For purposes of federal diversity jurisdiction, the citizenship of a non-corporate entity such as a limited liability company is not dictated by the state of the entity's formation or principal place of business; rather, the entity is deemed to be a citizen of those states in which its members are citizens. *See Harvey v. Grey Wolf Drilling Co.*, 542 F.3d 1077, 1080 (5th Cir. 2008) ("[L]ike limited partnerships and other unincorporated associations or entities, the citizenship of a LLC is determined by the citizenship of all of its members.").

10. Because Parallax Enterprises' sole member, Parallax Energy, is itself a limited liability company, the citizenship of Parallax Energy's membership determines Parallax Enterprises' citizenship for diversity purposes. *See Cavender Enter. Leasing Family, LLC v. First States Inv'rs 4200 LLC*, No. CIV. A. 10-1667, 2011 WL 3664563, at *2 (W.D. La. July 21, 2011) ("[F]or each member of an

LLC that is itself an LLC or partnership, its members and their citizenship must be identified and traced up the chain of ownership until one reaches only individuals and/or corporations.”). Parallax Energy’s sole member is Martin Houston, a U.K. citizen. As such, Parallax Enterprises is deemed a citizen of the United Kingdom for purposes of diversity jurisdiction.

11. Because CEI is a Delaware corporation with its principal place of business in Texas, CEI is deemed a citizen of Delaware and Texas for purposes of diversity. *See 28 U.S.C. § 1332(c)* (“For purposes of this section and section 1441 of this title . . . a corporation shall be deemed to be a citizen of every State and foreign state by which it has been incorporated and of the State or foreign state where it has its principal place of business . . .”).

12. Because CLNGT is a limited liability company, the sole member of which is CEI, CLNGT is also deemed to be a citizen of Delaware and Texas for purposes of diversity. *See Harvey*, 542 F.3d at 1080.

13. The amount in controversy exceeds \$75,000, excluding interest and costs. In its prayer for relief, Parallax Enterprises seeks “damages of at least four hundred million dollars (\$400,000,000), plus all other damages as Plaintiff proves at the trial of this matter . . .” CEI and CLNGT dispute Parallax Enterprises’ entitlement to any recovery.

14. All defendants join in the removal of this case to federal court. *See* 28 U.S.C. § 1446(b)(2)(A).

15. The state court where the suit has been pending is located in this district. *See* 28 U.S.C. § 1441(a).

16. CEI and CLNGT will promptly file a copy of this notice of removal with the clerk of the state court where the suit has been pending.

Conclusion

For the foregoing reasons, Defendants Cheniere Energy, Inc. and Cheniere LNG Terminals, LLC ask the Court to remove this suit to the United States District Court for the Eastern District of Louisiana.

Dated: April 15, 2016.

Respectfully submitted,

SMYSER KAPLAN & VESELKA, L.L.P.

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**ATTORNEYS FOR DEFENDANTS
CHENIERE ENERGY, INC. AND
CHENIERE LNG TERMINALS, LLC**

CERTIFICATE OF SERVICE

I hereby certify that on April 15, 2016, I electronically filed the foregoing instrument with the Clerk of the Court by using the CM/ECF which will send an electronic notice to all attorneys of record.

/s/ Shaun Clarke

Shaun Clarke